ing, Kurseong and Kalimpong sub-division and Sikkim state passed the interview.

(b) LIC has reported that three casual workers working in Darjeeling branch office of LIC were called for written test.

(c) and (d) LIC engages casual workers according to office exgeneies. The Services of casual workers cease after them completion of the work; however, they may compete alongwith other eligible candidates for recruitment on a regular basis, if they fulfil the eligibility conditions. The recruitment of Group 'C and Group 'D' staff is within the competence of LIC and are governed by regulations.

Spending of Funds at the end of Financial Year

2516. PROF. VIJAY KUMAR MALHOTRA: Will the Minister of FINANCE be pleased to state:

(a) Whether Government are aware that many Ministries/Departments spend bulk of their funds towards the end of the financial year i.e. February/March against the procedure laid down; and

(b) if so, what steps are proposed to be taken to ensure strict adherence to the procedure/guidelines laid down for the purpose?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) and (b) Under the General Financial Rules, the Department of the Central Government administratively concerned or the authority on whose behalf a Grant or Appropriation is authorised by Parliament, shall be responsible for the control of expenditure against the sanctioned grants and appropriations placed at its disposal. These rules also prescribe that rush of expenditure particularly in the closing months of the financial year shall be regarded as a breach of financial regularity and should be avoided. Instructions are issued from time to time stressing the need for even spread of expenditure, greater convergence of revenue inflows and expenditure outflows and better regulation of expenditure flows leading to better implementation of Plan schemes. The actual trends of expenditure in the Ministries/Departments of the i Government are watched closely through the Financial Advisers and timely interventions made/actions taken to check any irregular flow of expenditure. This is a continuous exercise.

Applications for setting up of new Private Banks

2517. SHRI SATISH CHANDRA SITARAM PRADHAN: Will the Minister of FINANCE be pleased to state:

(a) whether RBI has received applications seeking grant of permission to set up new private banks;

(b) if so, the details of the applications received so far,

(c) the details of the licences granted, rejected and kept pending as on date with salient feature of the banking proposals cleared during the last two years till date. State-wise in general and Maharashtra in particular;

(d) the details of the proposals pending and the reasons therefor; and

(e) the details of policy changes effected recently/proposed/under consideration on policy governing private banking?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE BANKING, REVENUE AND INSURANCE (SHRI KADAMBUR M. R. JANARTHA-NAN): (a) to (e) Consequent on issue of the guidelines dated 22nd January, 1993 regarding entry of new banks in the private sector, Reserve Bank of India have so far received 66 applications for setting up of new banks in the private sector.

Out of these, licences have been issued for setting up nine new banks. 'In principle' approval was granted to three applicants and in two of these cases the 'in principle' approval was withdrawn. 14

other applications have been rejected. Reserve Bank of India has reported that no new banking licence has been issued during the past two years. A list of new private sector banks to whom licences have been issued is given at statement-I and details of applications rejected are given at statement-II. *(See below)* RBI has set up an in-house working group to review the existing guidelines for grant of new licences to banks in the light of experience gained. A view on the pending applications would depend on the recommendations of the working group.

In addition, of the 213 applications received for Local Area Banks, approval in principle has been granted in 3 cases detailed in Statement-III. *(See below)*

Statement I

List of New Private Sector Banks to whom Licences have been issued

Name of the Bank	Name of the Promoter	Location of Regd. Office	Date of "in Principal" Approval	Date of Issue of Licence	Date of Commencement of Business
1. UTI Bank Ltd.	Unit Trust of India	Ahmedabad	20.8.93	28.2.94	2.4.94
2. Indusind Bank Ltd.	(UTI) Indusind Enterprises & Finance Ltd., Bombay	Pune	2.12.93	2.4.94	12.4.94
3. ICICI Banking Corporation Ltd.	Industrial Credit & Investment Corporation of India Ltd	Baroda	20.8.93	17.5.94	24.6.94
4. Global Trust Bank Ltd	(ICICI) Jayanta Madhab Associates	Secunderabad	18.9.93	6.9.94	10.9.94
5. HDFC Bank Ltd	Housing Developmemt Finance Corporation Ltd.	Bombay	20.8.93	5.1.95	16.1.95
6. Centurion Bank Ltd	20th Century Finance Corporation Ltd.	Panaji, Goa	1.12.93	13.1.95	24.1.95
7. Bank of Punjab Ltd.	Dr. Inderjit Singh, Ex-Chairman of Punjab & Sind Bank	Chandigarh	16.4.94	5.4.95	7.4.95
8. Times Bank Ltd.	Bennet, Coleman & Co. Ltd.	Faridabad	2.12.93	26.4.95	8.6.95
9. IDBI Bank Ltd.	IDBI	Indore	11.2.94	28.9.95	13.11.95
1. Bank of Gujarat Ltd	*In Principale approval issued* Gujarat state FertiliserCo. Ltd.	Ahmedabad	27.1.94		

Statement-II

Details of applications rejected

1. Peerless General Finance & Investment Company Ltd.
2. Sahara India Financial Corporation Ltd.
3. Ross Morarka Finance Ltd.
4. Shri R.C. Suneja (Ex-Chairman New Bank of India)
5. Padmaja Financial Services Ltd.
6. Madhya Pradesh Audyogic Vikas Nigam

7. Raunaq Finance Ltd.
8. Shri H.T. Patel
9. Shri R.P. Goyal (Ex-Chairman of SBI) Modi Group
10. Industrial Finance Corporation of India Ltd. (IFCI)
11. SREI International Finance Ltd.
12. Chicago Futures Markets and Financiasl Ltd.
13. Soam Datt Finance Corporation Ltd.
14. Stock Holding Corporation of India Ltd.

Cases in which 'In Principale' approval was withdrawn

1. CRB Capital Markets Ltd.
2. Cox & Kings Travels and Finance Ltd.

Statement III

Year	Name of the proposed LAB	Area of Operation		Date of
		Districts	State	approval
1996-97	1. The Manipal Local Area Bank Ltd. Manipal	Uttar Kanada Dakshin Kanada Shimoga	Karnataka	16.1.97
	2. The Priyadarshini Local Area Bank Ltd. Aurangabad	Jalna Jalgaon Aurangabad	Maharashtra	16.1.97
	3. The Krishna Bhima Samruddhi Local Area Bank Ltd., Raichur	Gulbarga Raichur Mehboobnagar	Karnataka Andhra Pradesh	11.3.97

Irregularities in Connaught circus branch of state bapk of Indore

2518. SHRI GOVINDRAM MIRI: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that some frauds/irregularities to the tune of about 20 crore Rupees has taken place recently in Connaught Circus Branch of the State Bank of Indore by advancing loan to companies dealing in Computer business and individuals;

(b) if so, the details thereof and the amount involved in each case;

(c) whether Government have instituted and inquiry by CBI/RBI/other agencies in these cases;

(d) if so, what are the findings thereof; and

(e) what action Government propose to take/have taken in the matter and the steps being taken to check recurrence of such cases?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHA-NAN): (a) Yes, Sir.

(b) to (e) State Bank of Indore has reported that its outstanding exposure at its Connaught Circus, New Delhi branch to two companies dealing in computer business is Rs. 1353.60 lakhs and Rs. 450.71 lakhs respectively. The accounts of both the companies have been rendered irregular because of development of bills received under letter of credit and application of interest. The bank is making efforts, to regularise the position. A fraud of Rs. 209.17 lakhs